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AUTHOR Frantzreb, Arthur C.
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ABSTRACT

The development function of the 1970's is seen as a test of the management skills of policy-making trustees, decision-making administrators and sales management development officers to plan for and secure financial resources from constituents buffeted by new issues and new forces in American society, in the economy, and in the educational system. The development function is viewed as strictly a sales management function. A complicated formula is suggested involving such variables as governing boards, authenticators, sponsors/councils, academic and financial needs and plans, opportunities and prospects, research, volunteers, the asking process, a development plan, staff, budget, annual and capital giving, deferred giving schedules, and goals. Each of these factors are further identified and discussed. (LBH)

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THE DEVELOPMENT FUNCTION IN THE 1970's

U.S. DEPARTMENT OF HEALTH
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EDUCATION

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By Arthur C. Frantzreb

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Frantzreb and Pray Associates, Inc.
1500 Wilson Boulevard
Arlington (Rosslyn), Virginia 22209

703–528-1601

The development function in the 1970's will be a test of the management skills of policy-making trustees, decision-making administrators and sales manager development officers to plan for and secure financial resources from constituents buffeted by new issues and new forces in our society, our economy and our educational system.

No longer can trustees and administrators test or expect development office proficiency to produce new and more dollars in isolation from what happens within the institution.

No longer can faculty 'do their own thing' expecting magic production of their own salaries from administrators and trustees in spite of all consequences of their actions.

No longer can alumni and friends reside in resplendent indifference withholding leadership and financial support because the old campus isn't what it used to be, forgetting that their generation went to the dogs before this generation did.

No longer can colleges afford publications, public rel. .ons, alumni relations and news bureaus which, under some flag of puritanical symbolism, remain aloof from action-oriented, financial and leadership response promotion.

No longer can development officers ignore personal and professional responsibilities to set and meet goals and to design hard-sell programs for annual, capital and deferred giving.

To achieve dollar goals and dollar needs for the seventies, greater attention to the management requirements for success than heretofore experienced will be mandatory.

The words sales, goals, schedules, profits, market testing, productivity and responsibility have been no-no's in the educational vocabulary too long. No longer!

The development function is no more and no less than a sales management function. There are very, very few development personnel who have the inclination, personality or capacity to be or to become salesmen, much less sales managers. Yet any definition of their job must include all the technicalities, techniques and tenacity of sales managers.

Each year, reports are received of total philanthropic giving by all sources – individuals, foundations and businesses – to all causes. Of these billions, almost always about 85 percent are given by individuals through outright gifts and bequests. All education receives about 17 percent of the total and people – individuals, not foundations, not business firms – gave the bulk of all funds given. These are the dimensions of the development officer's job at your college. How are you to get your fair share?

The development program, therefore, must be a thoroughly prepared plan based upon honest, open academic validity, realistic appraisal of philanthropic potential, concentration on major, large gift potential sources of support, careful strategy in conditioning and solicitation, and a sales management-sensitive development officer.

Perhaps the development function can be best described by means of a diagrammatic formula.

$$\frac{A\,(B/S) + P(A/F) + N/O}{C + C^2 + P\,(R) + V + ASK} \times DP \frac{S + B}{A + C + D} \times S/G = \$\$$$

The formula symbols are:

A – authenticators	R – research
B – governing board	V – volunteers
S – sponsors/councils	ASK – the asking process
P – plans	DP – development plan
A – academic	S – staff
F – financial	B – budget
N – needs	A – annual giving
O – opportunities	C – capital giving
C – case	D – deferred giving
C^2 – conditioning	S – schedules
P – prospects	G – goals

Let us examine in detail each of the elements of the formula in terms of what they mean to the development officer in planning and managing the selling of college needs and opportunities to constituents through a development program.

"A" – authenticators – are those individuals who, by reason of their presence and by reason of their responsibilities, say "this college is good; this college is doing its job; I believe in this college; I work for and give to this college; this college deserves to thrive and be in man's service." Authenticators who are trustees also have a legal responsibility to assure and to insure good management. Sponsors enlisted as volunteers to extend the arm of the trustees as volunteers in a development council or other committees serve to further authenticate the purpose, service and need for continuity of the college.

What does the Board have to do with the development function? The very composition of the membership of the Board must serve to authenticate, to validate, to tell the constituents of the institution that members are respected and responsible leading citizens, carefully balanced, representative of economic, professional and other societal groupings. If the Board is not so constructed, then the development officer will find it difficult to stimulate non-board members to rally to the cause and needs of the college when its own board may not represent, inspire or motivate persons of greater influence and affluence. This very simple but tremendously important fact of human relationships goes back to an old principle that a fountain rises no higher than its source. There are rare exceptions.

American philanthropy is 'trustee inspired, volunteer centered and staff serviced.' Trustees must lead the way. The development program must be their program. The development officer must be their sales manager; the president, chief executive; then, as a team, the development program can begin to unfold. The extent to which authenticators are not up to leadership demands for the seventies, just to that extent will success of the development program fail to meet potential.

"P" — plans for the future are notoriously lacking in our colleges today even after a decade of talk about them and urgency for them. Long-range academic plans "A" and financial projections "F" must exist if the college is to convince any sophisticated donor that his assets will be best used at that college.

Whatever the development officer has to sell in terms of program, people, equipment, plant, faculty salaries, student aid, endowment should be based upon thoroughly studied academic requirements. These requirements should be converted to financial projections considering funds from all sources and documenting those additional resources required to meet operations, capital, and special program needs. Money cannot be raised in a vacuum. A college without such plans is operating in a vacuum. The experienced development officer will ascertain this before his employment and conclude the situation he is expected to manage is impossible before he starts.

But there is one more factor: the development officer should be involved in planning either as a team member or observer. The sales manager must know what he sells, the process, the priorities, the arguments, the resolutions of planning to better

understand and communicate to the volunteer salesman and the college constituency the validity of his sales plan as rooted in sound academic and financial planning.

"N" – Out of the planning process will come the need for philanthropic support whether these needs are for annual budget, special capital needs, major capital needs, or endowment for stability and security. The needs should be woven into a total development program. Colleges should not falter in communicating total needs in order that constituents be aware of the full requirements for the future and as evidence of management preparation for the future. Priorities can be set according to pressure for needs to be met and/or potential for achievement. But hard experience has taught us that donors with substantial potential will consider their immediate and ultimate gift potential in terms of total needs of the college.

"O" – Gift opportunities are the pegs on which special interests are hung and gifts motivated. Unrestricted gifts are the president's dream, the business officer's soul and the development officer's zeal but the donor has his own motivations. Gift opportunities should be diverse as to nature and amount of cost. Colleges have not adequately marketed all the possible gift opportunities which could be of assistance as budget relief items. Some such opportunities are existing buildings, rooms and facilities; campus beautification and care; equipment obsolescence; library acquisitions; rare book funds; presidential office endowment; faculty assistance funds; publications; remodeling and modernization funds. The amount of the gift opportunity should reflect the value of the gift to the donor, not actual cost to the college.

These are above-the-line planning considerations of the formula. Below-the-line factors are implementational considerations.

"C" – The case is the sales story for the college. It should tell why a donor's dollar is best spent at the college and why it provides the greatest reward and satisfaction to him. It should also convey confidence that this is a wise investment in the college. The case should not be an historic document. It should be a warm, human, motivational statement of why the college exists, emphasizing its role in meeting significant social needs. It should offer proof of its utility and expectancy for greater achievement. It should tell and sell the institution so the reader is moved to act at his highest capacity. The case

statement cannot be an academic treatise nor is it a doctoral thesis. It must be *a sales* document usable for both volunteer leadership enlistment and gift stimulation and action.

"C^2" connotes the urgency and necessity for continuous communication with prospects. Trustees, presidents, some volunteers and some development officers often race to ask a prospect for a gift only to find coolness and disappointment waiting.

Harold (Sy) Seymour, a dean of the art of philanthropic fund raising outlined six points in a psychological sequence of success which are appropriate to recap here. This sequence of selling is paraphrased as follows:

Attention: The prospect must be aware of problems, opportunities, potential, quality, authentication, a plan of action, social value. After his attention is gained, the prospect can be made aware of the diversity of people, the diversity of services in order to find his particular interest or concern at the particular institution.

Interest: The critical second step of success is gaining the prospect's interest. People are attracted to people, to ideas, to ideals, to concepts. Infrequently are they attracted to budget needs or buildings. Also people are attracted to and respond when their own interests are appealed to. But the institution must answer the questions most subtly, why me? Why should I get involved or be concerned? What does this mean to me or my family? Here the pride of association is a great motivational factor – pride in identification with the institution, its chief executive, its faculty, its trustees, its program, its services, or other volunteers. A prospect's interest cannot be assumed, it must be assidously sought and won.

Confidence: After his attention and interest have been piqued he must gain confidence in leadership, in management, in personnel, in services, in the students. The communication of confidence is a most difficult achievement because it is most intangible.

Conviction: The prospect must gain assurance as to the merits of the institution which has gained his attention, attracted his interest, and instilled confidence by proving the advantages resulting to himself from his involvement and support.

Desire: The prospect's desire to be part of a program for future security and stability is most difficult to achieve. The prospect must *want* to be

involved. He must *want* to have a financial part in achieving goals of quality, distinction, dollars or success. He must desire the personal satisfaction which comes from involvement and participation. The development officer's greatest task is to transform conviction to desire, then desire into action.

Action: This is the payoff – when a leadership prospect says that he will accept the chairmanship or membership. This is the test – when the prospect says that he will give to the extent of his capacity. This is when the prospect says that he has heard the sales story, he has become interested, he is confident of the merits of the institution, he is convinced that it must be maintained and sustained, and that he desires to help in its assurance of stability and security.

There is a point beyond which the cultivation of a prospect can be counterproductive. Individuals or organizations which are the object of affection of the institution over a protracted period without being asked to do something can become suspicious knowing well that they are being "set up." If the request for action does not materialize at the right psychological time, their interest beyond that time can wane. Therefore, philanthropic planning and fund raising are an art in the study of people – prospect by prospect, project by project.

"P" – is for prospects. Prospects for philanthropic support are all matriculants of the institution, parents and families of matriculants, friends, individuals in the community, church members, business organizations, private foundations, past and present faculty, past and present trustees, past and present staff.

"P (R)" – Prospect research is a critical part of the development officer's role in order that the human resources of time and talent, and the financial resources represented in budgets be used wisely and to the highest possible productivity per man hour and per dollar spent. Therefore, thorough prospect research should result in determining from among all constituents those individual or organizational resources which have the capacity to produce the greatest results earliest and continuously. A rule of thumb long established, unscientific but proved through practice, indicates that 10 percent of the constituency can be expected to be above-average donors. This average may be $100 for annual giving or $1000 for capital giving. It is very important to determine who the 10 percent are to which thorough

study must be given as *bona fide* candidates for substantial gifts.

There is one additional rule of thumb which says that one percent of the constituency can be expected to be prospects for *very* substantial gifts. These may be the individuals or organizations who unknowingly or knowingly hold within their hearts and hands the capacity to assure the stability and security of the institution's future.

A public relations text many years ago stated that every college president should determine early in his administration those 100 individuals whose support can make the difference in the survival of the institution. How many college and university presidents or headmasters of secondary schools, or administrators of hospitals know their 100 special prospects? Yet, there exists a blind belief that some large number of individuals at the sound of the clarion call will come forward and cause a continuing ringing of the development officer's cash register. Not so. Successful philanthropy is engineered, using all the resource mechanics possible with the understanding that in the final analysis the prospect's readiness and capacity must be carefully studied, strategically and logically, for the best possible results for the institution and the greatest personal satisfaction of the donor.

"V" – Volunteers are the front line salesmen for the development officer. Trustees (authenticators) must lead the way, set the pace, set the tone, lead first and give first. Then other volunteers who are carefully selected, trained and conditioned to be salesmen for the institution carry the message and bring home the results under the tutelage and assistance of the development sales officer. Here the test of the development officer is in his teaching ability as a sales manager to train, inspire, assist and prepare the way for volunteers. The sophisticated development officer will enlist no more volunteers than his administrative staff can handle. One learns early in this business that happy, productive volunteers are directly proportionate to the staff service they receive. Individuals who promise to give of their time and of their assets first can become ineffective if they are not well handled continuously. And volunteers are susceptible to a philanthropic disease known as 'campaign fatigue'; people can become tired and worn out. Volunteers who are tried and true are needed, but institutions today should look also for new leadership, new volunteers, fresh

approaches, new vigor to carry out new plans to meet new forces and new issues in a new decade for new national and societal needs.

"ASK" – With all the planning and preparation, the moment of truth in the efficacy of the institution is the moment when someone asks specifically for a dollar response – a specific participation. Always such asking should be without apology. The prospect will decide. The asker must be sure that the amount asked complements the estimated capacity and interest of the prospect.

All of these factors can now be woven into a development plan, and there must be a development plan just as there must be an academic plan, just as there must be a financial plan, just as there must be a master plan for the institution.

"D P" – The development plan is a sales plan. Taking into consideration all the formula elements the development plan is a design to get people to give of their time and assets, to insure stability and security of the college, not just to meet needs. "B" is a reminder that budget costs must be considered an investment which should achieve maximum levels of productivity in three to five years. Usually more than one staff "S" member is required for realizing full potential. Relations may include alumni and public relations and specialists. Fund-raising personnel may include annual giving and deferred giving specialists. In terms of back-up personnel, the most indispensable person should be the Records and Research supervisor who is the "R and D" department for all prospect information.

"A" – Annual giving is the backbone of all development operations. Emphasis in the nineteen-seventies will be on the special, large gift donor. These may constitute 10 percent of the college constituency. The mass solicitations will become more and more infrequent due to low dollar productivity and increasing cost of mailing. Greater funds will come from fewer sources challenging the capacity of the development officer and administration alike.

"C" – Capital funds for plant and related needs also will come from few resources not, repeat not, mass solicitations. Sophisticated colleges with advanced programs installed and established will undertake intensive programs among their constituents for public relations and prospect research purposes. Here fund-raising will be

incidental. Costs then will be related to public relations, image building or sales requirements.

Capital funds will be related to "D" deferred gift programs whereby the various techniques and devices of postponed giving will be of maximum benefit to the college and donor alike for current needs as well as endowment.

Withal, the development program must have schedules "S" and goals "G". It is the human condition that people just simply will not work unless deadlines of time and goal objectives are set and adhered to. Great plans and urgent needs falter and go unmet because weak administrators do not or cannot set goals for themselves or others.

The diagrammatic formula sets forth all the prerequisite factors, features and techniques for a development program. It does not provide for common sense or executive judgment. It does not provide for experience or use of counsel. It does not provide for reason, patience, persistence, understanding. There are special characteristics of the heart and mind which must exist in generous proportion in the human equation.

The development program is a sales program whereby the college makes it possible for people to do what they would really like to do when they know where, how, when and why.

With all the above having been said, one quotation given over 21 years ago is an appropriate summary. Its author is unknown. Its validity is proven.

> "Fund raising is a series of disappointments sprinkled with a few brilliant successes, most of which were unexpected."

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ARTHUR C. FRANTZREB
PRESIDENT

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Response to these concepts brought into being broad self-help services to stimulate problem solving and program construction integrating management requirements, program design, and internal personnel training.

Mr. Frantzreb was trained as a business executive at Butler University where he was graduated after earlier attendance at Purdue University. Experienced as an officer of Rutgers University, and co-founder and senior officer of another counselling firm, Mr. Frantzreb has served as counsel to over 250 educational, cultural, health, civic, social, religious, and business organizations.